

FISCAL NOTE

SB 633 - HB 1281

March 29, 2001

SUMMARY OF BILL: Amends TCA 67-4-702(13) by excluding from the definition of "sales price" consideration received by a dealer for the sale of a chattel lease or conditional sales contract.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$20,000

Decrease Local Govt. Revenues - Exceeds \$120,000

Estimate assumes:

- Based on information provided by the Department of Revenue:
 - Automobile, boat, and aircraft dealer retail sales are estimated to be approximately \$14,500,000,000.
 - \$145,000,000 (1%) of revenues are a result of financing from these types of businesses.
- A business tax rate of one-tenth of one percent.
- The total decrease in revenues is estimated to be \$145,000 [$\$145,000,000 \times .0010 = \$145,000$].

For informational purposes, business tax is allocated 15% to the state and 85% to local governments

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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